

ND PUBLIC EMPLOYEES RETIREMENT SYSTEM
INVESTMENT PERFORMANCE REPORT AS OF AUGUST 31, 2002

	Month Ended 8/31/2002				Month Ended 7/31/2002				Current	Prior Year	3 Years	5 Years
	Allocation				Allocation				Fiscal YTD	FY02	Ended	Ended
	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Net ROR	Net ROR	6/30/2002	6/30/2002
											Net	Net
LARGE CAP DOMESTIC EQUITY												
<i>Structured Growth</i>												
AllianceBernstein	20,662,744	2.0%	2.3%	2.32%	20,205,496	2.0%	2.3%	-7.03%	-4.88%	-28.98%	-16.11%	N/A
Russell 1000 Growth				0.30%				-5.50%	-5.22%	-26.49%	-16.15%	N/A
<i>Structured Value</i>												
LSV	47,984,597	4.6%	4.5%	0.20%	47,904,046	4.7%	4.5%	-7.94%	-7.76%	2.72%	5.54%	N/A
Russell 1000 Value				0.75%				-9.30%	-8.62%	-8.96%	-4.87%	N/A
<i>Enhanced Russell 1000 Index</i>												
LA Capital (Wilshire)	44,798,602	4.3%	4.5%	0.66%	44,528,133	4.4%	4.5%	-7.52%	-6.91%	-17.00%	N/A	N/A
Russell 1000				0.75%				-9.30%	-8.62%	-17.89%	N/A	N/A
<i>Enhanced S&P 500 Index</i>												
Northern Trust	43,548,448	4.2%	4.5%	0.71%	43,256,020	4.2%	4.5%	-7.48%	-6.83%	-16.98%	N/A	N/A
Strong	43,964,081	4.3%	4.5%	0.17%	43,686,188	4.3%	4.5%	-7.95%	-7.79%	-20.23%	N/A	N/A
Westridge	53,169,250	5.1%	4.5%	0.67%	52,901,159	5.2%	4.5%	-7.69%	-7.07%	-17.54%	N/A	N/A
Total Enhanced S&P 500 Index	140,681,779	13.6%	13.5%	0.53%	139,843,367	13.7%	13.5%	-7.71%	-7.22%	-18.23%	N/A	N/A
S&P 500				0.66%				-7.80%	-7.19%	-17.98%	N/A	N/A
<i>S&P 500 Index</i>												
State Street	49,318,436	4.8%	5.3%	0.66%	48,994,975	4.8%	5.3%	-7.78%	-7.17%	-17.96%	-9.14%	3.67%
S&P 500				0.66%				-7.80%	-7.19%	-17.98%	-9.18%	3.67%
TOTAL LARGE CAP DOMESTIC EQUITY	303,446,157	29.4%	30.0%	0.64%	301,476,017	29.5%	30.0%	-7.67%	-7.08%	-17.13%	-9.48%	2.68%
S&P 500				0.66%				-7.80%	-7.19%	-17.98%	-9.18%	3.67%
SMALL CAP DOMESTIC EQUITY												
<i>Manager-of-Managers</i>												
SEI	76,232,110	7.4%	8.0%	0.75%	75,712,817	7.4%	8.0%	-13.68%	-13.03%	-11.87%	N/A	N/A
Russell 2000 + 200bp				-0.09%				-14.93%	-15.01%	-6.68%	N/A	N/A
TOTAL SMALL CAP DOMESTIC EQUITY	76,232,110	7.4%	8.0%	0.75%	75,712,817	7.4%	8.0%	-13.68%	-13.03%	-11.87%	1.18%	1.95%
Russell 2000				-0.26%				-15.10%	-15.32%	-8.59%	1.67%	4.44%
INTERNATIONAL EQUITY												
<i>Large Cap - Core</i>												
State Street	14,726,474	1.4%	1.6%	-0.59%	14,810,446	1.4%	1.6%	-9.69%	-10.23%	-11.74%	-6.76%	-2.26%
MSCI EAFE - 50% Hedged				-0.24%				-10.04%	-10.26%	-14.62%	-5.75%	0.27%
<i>Large Cap - Active</i>												
Capital Guardian	38,322,372	3.7%	4.0%	-1.70%	39,012,138	3.8%	4.0%	-10.69%	-12.20%	-13.17%	-1.00%	5.76%
Bank of Ireland	8,424,945	0.8%	0.8%	-0.74%	8,501,871	0.8%	0.8%	-10.05%	-10.72%	N/A	N/A	N/A
Total Large Cap - Active	46,747,317	4.5%	4.8%	-1.53%	47,514,009	4.6%	4.8%	-10.57%	-11.94%	-12.19%	-0.63%	6.00%
MSCI EAFE - 50% Hedged				-0.24%				-10.04%	-10.26%	-14.62%	-5.75%	0.27%
<i>Small Cap - Active</i>												
Lazard	9,056,404	0.9%	0.8%	-1.56%	9,201,991	0.9%	0.8%	-8.36%	-9.79%	N/A	N/A	N/A
Wellington	8,864,335	0.9%	0.8%	-2.38%	9,091,791	0.9%	0.8%	-5.78%	-8.02%	N/A	N/A	N/A
Total Small Cap - Active	17,920,739	1.7%	1.6%	-1.97%	18,293,783	1.8%	1.6%	-7.10%	-8.92%	N/A	N/A	N/A
SSB BROAD MARKET INDEX < \$2BN				-0.90%				-6.90%	-7.74%	N/A	N/A	N/A
TOTAL INTERNATIONAL EQUITY	79,394,531	7.7%	8.0%	-1.45%	80,618,238	7.9%	8.0%	-9.64%	-10.96%	-10.49%	-2.94%	2.40%
MSCI EAFE - 50% Hedged				-0.24%				-10.04%	-10.26%	-14.62%	-5.75%	0.27%
EMERGING MARKETS EQUITY												
Capital Guardian	48,987,379	4.7%	5.0%	2.11%	47,973,196	4.7%	5.0%	-9.20%	-7.28%	-5.69%	-5.69%	-6.04%
MSCI Emerging Markets Free				1.54%				-7.61%	-6.19%	1.30%	-6.34%	-8.42%
DOMESTIC FIXED INCOME												
<i>Core Bond</i>												
Western Asset	49,850,746	4.8%	4.4%	2.65%	53,392,187	5.2%	4.4%	-0.11%	2.53%	8.87%	8.93%	8.26%
Lehman Aggregate				1.69%				1.21%	2.92%	8.62%	8.10%	7.57%
<i>Active Duration</i>												
Criterion	49,037,195	4.7%	4.4%	1.62%	53,136,191	5.2%	4.4%	0.03%	1.65%	6.00%	7.60%	7.09%
Lehman Aggregate				1.69%				1.21%	2.92%	8.62%	8.10%	7.57%

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	Month Ended 8/31/2002				Month Ended 7/31/2002				Current Fiscal YTD	Prior Year FY02	3 Years Ended 6/30/2002	5 Years Ended 6/30/2002
	Allocation				Allocation				Net ROR	Net ROR	Net	Net
	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Net ROR	Net ROR		
Index												
Bank of ND	60,794,462	5.9%	5.3%	2.06%	61,933,680	6.1%	5.3%	1.62%	3.70%	9.56%	8.03%	7.55%
Bank of ND Match Loan CD Program	17,078,359	1.7%	1.7%	0.48%	17,133,794	1.7%	1.7%	0.48%	0.95%	5.79%	5.86%	5.90%
Total Index	77,872,821	7.5%	7.0%	1.65%	79,067,474	7.7%	7.0%	1.32%	2.99%	9.68%	7.81%	7.47%
Lehman Gov/Corp				2.24%				1.20%	3.47%	8.24%	7.85%	7.47%
Convertibles												
TCW	46,757,908	4.5%	4.4%	2.29%	45,300,082	4.4%	4.4%	-7.54%	-5.41%	-21.20%	-2.06%	N/A
First Boston Convertible Index				0.54%				-6.25%	-5.74%	-12.44%	0.11%	N/A
BBB Average Quality												
Strong	48,421,759	4.7%	4.4%	2.78%	50,416,365	4.9%	4.4%	-3.45%	-0.77%	3.16%	6.83%	N/A
Lehman BBB				3.56%				-2.23%	1.25%	5.85%	4.75%	N/A
Timberland												
Evergreen (Wachovia) (1)	35,660,096	3.5%	3.5%	-0.07%	35,451,527	3.5%	3.5%	-0.07%	-0.15%	N/A	N/A	N/A
										0.00%	0.00%	0.00%
TOTAL DOMESTIC FIXED INCOME	307,600,525	29.8%	28.0%	1.89%	316,763,826	30.9%	28.0%	-1.37%	0.50%	2.56%	6.70%	6.56%
Lehman Aggregate				1.69%				1.21%	2.92%	8.62%	8.10%	7.57%
HIGH YIELD BONDS												
Western Asset	55,167,806	5.3%	5.0%	2.51%	53,818,354	5.3%	5.0%	-3.79%	-1.38%	-6.08%	-3.89%	4.16%
Lehman High Yield Bond Index				2.85%				-4.37%	-1.64%	-3.60%	-2.31%	0.68%
INTERNATIONAL FIXED INCOME												
International Core												
UBS Global (Brinson)	60,151,707	5.8%	5.0%	1.49%	61,252,263	6.0%	5.0%	0.30%	1.79%	16.83%	2.39%	2.43%
Salomon Brothers Non-US Gov't Bond Index				1.63%				0.57%	2.21%	15.72%	3.14%	3.03%
REAL ESTATE												
JMB	1,025,255			0.71%	1,047,292			0.71%	1.43%	0.92%	1.25%	7.60%
INVESCO	26,702,075			-0.85%	26,628,016			-0.85%	-1.70%	2.61%	7.70%	N/A
J.P. Morgan	28,829,583			0.23%	28,680,806			0.23%	0.46%	4.10%	9.60%	11.72%
TOTAL REAL ESTATE (1)	56,556,913	5.5%	5.0%	-0.34%	56,356,114	5.5%	5.0%	-0.34%	-0.68%	3.35%	8.64%	9.66%
NCREIF TOTAL INDEX				0.56%				0.55%	1.12%	6.79%	9.41%	11.96%
ALTERNATIVE INVESTMENTS												
Brinson IVCF II	296,090			-0.35%	296,984			-0.35%	-0.69%	-28.90%	3.96%	21.27%
Coral Partners II	300,784			-6.45%	305,552			-6.45%	-12.48%	-53.48%	-30.67%	-16.01%
Coral Partners V	10,389,562			-0.21%	10,345,369			-0.21%	-0.41%	-46.32%	-3.46%	N/A
Coral Partners V - Supplemental	725,537			-0.37%	722,451			-0.37%	-0.75%	N/A	N/A	N/A
Coral Partners VI	601,000			0.00%	598,443			0.00%	0.00%	N/A	N/A	N/A
Brinson 1998 Partnership Fund	2,209,213			0.15%	2,199,816			0.15%	0.29%	-15.23%	8.66%	N/A
Brinson 1999 Partnership Fund	2,514,677			-2.09%	2,503,980			-2.09%	-4.14%	-21.70%	-0.85%	N/A
Brinson 2000 Partnership Fund	3,370,074			-1.96%	3,355,739			-1.96%	-3.88%	-14.95%	N/A	N/A
Brinson 2001 Partnership Fund	743,658			-1.31%	740,495			-1.31%	-2.60%	-6.22%	N/A	N/A
Brinson 2002 Partnership Fund	354,263			0.12%	144,607			0.12%	0.23%	N/A	N/A	N/A
Total Brinson Partnership Funds	9,191,885			-1.39%	8,944,637			-1.39%	-2.76%	N/A	N/A	N/A
Brinson 1999 Non-US Partnership Fund	942,824			-0.76%	938,814			-0.76%	-1.51%	-7.68%	-3.51%	N/A
Brinson 2000 Non-US Partnership Fund	837,674			-0.39%	834,110			-0.39%	-0.79%	-6.51%	N/A	N/A
Brinson 2001 Non-US Partnership Fund	447,146			-1.41%	445,244			-1.41%	-2.81%	-4.85%	N/A	N/A
Brinson 2002 Non-US Partnership Fund	177,741			0.00%	176,985			0.00%	0.00%	N/A	N/A	N/A
Total Brinson Non-US Partnership Fund	2,405,384			-0.70%	2,395,153			-0.71%	-1.41%	N/A	N/A	N/A
Brinson BVCF IV	6,327,496			-3.19%	5,821,827			-3.19%	-6.28%	-29.16%	-17.06%	N/A
CSFB	7,812,998			0.00%	7,779,764			0.00%	0.00%	N/A	N/A	N/A
InvestAmerica	72,120			0.00%	71,813			0.00%	0.00%	N/A	N/A	N/A
Hearthstone	4,220,392			-2.22%	3,842,949			-2.22%	-4.39%	4.99%	N/A	N/A
TOTAL ALTERNATIVE INVESTMENTS (1)	42,343,249	4.1%	5.0%	-1.11%	41,124,941	4.0%	5.0%	-1.30%	-2.40%	-29.02%	-0.51%	7.25%
Post Venture Capital Index				-1.69%				-12.55%	-14.03%	-44.30%	-26.03%	-6.83%
CASH EQUIVALENTS												
Northern Trust STIF/STEP	3,269,239	0.3%	1.0%	0.03%	(11,498,644)	-1.1%	1.0%	0.02%	0.05%	2.29%	4.72%	5.01%
90 Day T-Bill				0.14%				0.15%	0.29%	2.63%	4.67%	4.84%
TOTAL FUND	1,033,149,615	100.00%	100.00%	0.97%	1,023,597,121	100.00%	100.00%	-5.18%	-4.26%	-6.83%	-0.78%	4.64%
POLICY TARGET BENCHMARK				0.89%				-5.17%	-4.32%	-5.63%	-1.32%	4.65%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) Monthly returns estimated based on prior quarters' returns.